

TOPIC	GAAP REPORTING	SUB-SECTION 23.40.20
SECTION	SUPPORTING SCHEDULES	ISSUANCE DATE June 25, 2009
SUB-SECTION	INVENTORY	REVISED - 2018

INVENTORY

The Inventory Schedule is prepared to support the value of the agency's total inventory at year end. The schedule provides the detail of inventories held including supplies used during agency operations or supplies used in the production of property for resale. Inventory systems are used to maintain inventory valuations and computations. Expenditures (governmental funds) and expenses (proprietary funds) are recognized using the consumption method of accounting for inventories. This means that the expenditure/expense associated with inventory is deferred until the period in which the inventory actually is consumed.

An entry to set up inventory is recorded as follows:

<u>Account</u>	<u>Account Name</u>	<u>DR</u>	<u>CR</u>
14000000	Inventory	\$XXX	
62000000	Expenditure		\$XXX

At June 30, an entry is made to adjust the inventory account.

The inventory form for Governmental funds is required only when the inventory is \$50,000 or more in value. Amounts less than \$50,000 in inventory are considered immaterial and are expensed as purchased.